



Early Care & Learning Council

United to Promote Quality

Joint Legislative Public Hearing: 2023-2024 Executive Budget Proposal Human Services

Submitted by
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Thank you for the opportunity to provide testimony and input on the proposed budget for New York State. Early Care & Learning Council (ECLC) and our network of 35 Child Care Resource and Referral (CCR&R) agencies provide direct assistance and support to parents, child care providers, and employers in all 62 counties. Early Care & Learning Council is also a leader within the robust Empire State Campaign for Child Care.

Child care is essential for working parents. Without it, parents are all too often forced to choose between working or staying at home to care for their children. This has a powerful economic impact on both families and businesses, a lesson that was made starkly clear during the pandemic. Federal funds, flowing through NYS OCFS, kept many child care programs open, and it was the CCR&R network that made sure programs accessed funds. CCR&Rs delivered PPE, COVID test kits and other health and safety supplies to programs and parents. CCR&Rs were also the pipeline for critically important information on COVID, regulations and best practices for safe operation of programs. This was in addition to what the CCR&R system has done and continues to do today through 58,000 hours annually of technical assistance to child providers: assisting new child care programs to open, helping programs operate safely, training the child care workforce, meeting the unique mental health care needs of babies and toddlers in child care settings, and more.

For thousands of parents, child care providers and employers throughout New York State, CCR&Rs are a key support in navigating the complex child care delivery system. CCR&Rs, funded through OCFS, served their communities by helping more than 32,000 families find quality, affordable child care. Through the recently launched Stabilization and Deserts grants, CCR&Rs delivered grant administration to 10,604 existing child care providers and 846 prospective providers requiring help to launch their businesses. CCR&Rs are the workforce behind the child care workforce. At a time when access to affordable, quality child care is profoundly restricted for working families, CCR&Rs are an integral part of how communities support quality child care systems. OCFS contracts that support these services were cut in 2012 and have remained flat ever since—diminishing the breadth and strength of the services delivered by the CCR&Rs to their communities. Funding levels have failed to keep up with the cost of the services CCR&Rs provide, triggering an inability to compete for essential staff, including Parent Counselors, Provider Education Specialists, Infant Toddler Specialists, Mental Health Consultants, Referral Specialists, and other skilled professionals needed to effectively support and grow child care.

The CCR&R Network has the connection to the local child care providers and the knowledge of regional needs, challenges and opportunities facing families, while also having the early childhood expertise and knowledge of best practices.

To preserve the essential services CCR&Rs offer to working parents, and expand to meet the need of the expanding child care sector, ECLC and the network of CCR&Rs respectfully request the Governor and Legislature support the following increases vital to the economic development of parents, families, providers and employers across NY State:

Increase Child Care Resource & Referral Contracts (including Registration contracts: \$7.9 million annually to cover increasing costs to staff the network of 35 CCR&Rs and ECLC who train over 17,000 child care providers serving 400,000 children in NYS. Since 2012, when contracts were last adjusted, inflation has risen at a rate of 29.7%.ⁱ

Maintain and Integrate Business Support Specialists positions: \$6.5 million annually: This funding will sunset in the next year. Most child care providers started without the infrastructure to successfully apply for and implement these grants—yet the funding and associated business training has been essential to their survival. These positions are essential to the on-going survival of child care businesses throughout our state. Without a widespread adoption of stronger business strategies, providers are at risk of financial instability and closing their doors, contributing to an even greater shortage of child care in NY State. 64% of New York State is a child care desert, one of the highest rates in the nation. Without the TA specialists working closely with new and existing child care providers, this situation will only deteriorate, undercutting parents' ability to work and undermining the state's economic future.

In the 2024 Executive Budget, a third round of **Stabilization Grants** for workforce retention initiatives has been identified at \$389 million out of remaining federal relief funds. The funds will be used up-front to the extent allowable under federal law. Providers that receive grants under this program shall be required to maintain compensation or provide wage enhancements for employees for the duration of the grant period. CCR&R staff have served as Technical Assistance (TA) specialists to ensure that child care providers access and utilize stabilization and desert grants available through federal relief funding.

ECLC recently surveyed nearly 850 child care providers that participated in the child care stabilization grant process. Many emphasized the importance of the funding itself as a lifeline, but also the crucial support of their local CCR&R throughout the process. Some feedback from the survey includes comments such as:

“If it were not for the Nassau and Suffolk childcare councils, the grants would not have been possible. Both councils provided far more than technical assistance. Both Councils provided direct help to a director such as myself in anyway possible in a timely manner so we could financially survive.”

“I was having difficulty accessing the system and emailed for technical assistance and was immediately contacted and was assisted until the issue was resolved.”

“I couldn't have done it without help from the child care council. It was very intimidating, so they walked me thru the whole thing.”

In addition to these comments about the effectiveness of the CCR&R network were countless comments about the need for additional funding. The grants were a band-aid and child care programs are still bleeding. \$389 million falls short of the \$1 billion total needed to give all members of the child care workforce an average compensation increase of \$12,500 per year until the State has transitioned to a new reimbursement methodology and pay scale, finally turning the tide on the workforce crisis.

We also asked our survey respondents if they believe their child care business will be open or closed in the next six months. While 824 said yes, many qualified their answers with hopes, prayers and the need within their community. Child care providers nurture and educate young children, allow parents to work outside the home, showing up day in and day out, often when it means long hours and sacrificing time with their own families, all for very low wages. Child care providers deserve better than a short-term solution for an already broken system.

"I have no choice this is my livelihood."

“I can stay open if we continue to get funding.”

In addition to funding for the sustainability of services, funding is needed to expand and launch services to our most at-risk young children.

Mental Health Services: \$4 million annually: ECLC and the network launched an Infant Toddler Mental Health Consultation (ITMHC) project in 2019. 35 ITMHCs served over 2,000 vulnerable children in 2022. ECLC requests funding to increase services to child care providers and children to ensure that our youngest children get off to the start that they deserve with nurturing and responsive child care settings, prompt identification of developmental and behavioral challenges, and timely referrals and receipt of additional services.

- o To begin to bring this service to scale, additional Mental Health Consultants need to be hired by the CCR&Rs to across all regions of the state. This increase also includes 12 ITMHCs for NYC. 51% of all children 0-5 in New York State live in NYC.

- o To expand to underserved communities impacted by the lingering effects of COVID-19

o To ensure mental health professionals work in collaboration with educators to ensure that trauma informed practices are being utilized in classrooms and that appropriate social emotional strategies are implemented through a trauma informed and racial equity lenses.

Diversity Equity Inclusion and Belonging (DEIB) trainers: \$5.5 million annually: To mitigate and address racism and unconscious bias in the early care and learning system, ECLC is looking to expand the training for CCR&Rs and child care providers to create an equitable child care system. By ensuring that a culturally responsive early care and education is available to all children and families, we can work to reduce the discrimination that is present system-wide:

ECLC proposes to hire and train a DEIB specialist at each of the 35 CCR&Rs. These specialists will work in collaboration with ITMHCs to implement strategies and combat unconscious bias to decrease the number of black and brown boys that are suspended from child care programs. The DEIB specialists will be responsible for the development and implementation of anti-racist curriculum, training for staff, work with providers and OCFS licensors. Our CCR&Rs across the state have recognized the critical need for this role and resource.

In the Executive Budget proposal the Governor identifies several initiatives which will rely upon the CCR&Rs in order to be successful. The afore mentioned \$389 million **Stabilization Grant Initiative** as well, as the \$1 million dollar **Business Navigator Program** in each of the ten Regional Economic Development Council regions, will utilize the community awareness of our network to help businesses identify different child care supports for their employees. At the same time an intentional investment must be made into each of our organizations to make sure that we can hire and retain the proper staff to work on these initiatives, at the education and certification levels needed to do the work effectively. According to the New York Council of Nonprofits' State of the Sector 2023 report, 80% of nonprofit members surveyed said New York State funding does not cover the cost of delivering the service or program expected by the State. As a State, we cannot continue to rely on the nonprofit sector to deliver services to the community without appropriately compensating them for doing so.

ECLC also supports an **Employer Supported Child Care Pilot Program** which will serve families with an income between 85 percent and 100 percent of the state median income in three regions of the state. In the ESCC pilot, employers will contribute a third of the cost of care for families between 85 percent and 100 percent of the State median income, and the State will match it, reducing out-of-pocket costs for these families and generating millions of dollars in new financial support for child care. While budget language says that local facilitators will work to coordinate businesses, families, and child care providers., we know that CCR&Rs are a great

logistical fit to help facilitate the partnerships needed to make these pilots succeed. This program is proposed at \$4.8 million dollars.

The COVID-19 pandemic has brought national attention to the child care crisis and with it a great opportunity to transform the child care system. Child care both creates and supports jobs. The economic impact of child care matters because it helps drive local economies. When parents can access child care, they are more likely to enter the workforce and stay employed. Families depend on functioning child care. This is where CCR&Rs play a pivotal role.

By strengthening the CCR&R system, the economic development of parents, families, providers and employers across New York State will also be bolstered. However, as previously stated, CCR&Rs often have a competitive disadvantage when hiring qualified employees due to lack of funding.

Furthermore, as members of Empire State Campaign for Child Care, we support the budget and legislative priorities which build from last year's historic wins and take New York further down the path to universal child care by investing in the essential child care workforce, removing unnecessary access barriers, and ensuring all the state's children can access child care, regardless of immigration status.

Additionally, Governor Hochul is proposing important steps to standardize and reduce variations in eligibility rules across counties. Members of the ESCCC have long advocated for an end to inconsistencies across the State that result in disparities in access for families and payments to child care programs that vary from county to county. Specifically, the Governor is proposing that OCFS set statewide standardized eligibility criteria for families, allowing up to 80 absences per child, and capping co-pays at one percent of family income above the poverty level. A family's ability to access and afford child care should not depend on where they live. We are grateful to see the Governor demonstrate her commitment to creating a standardized, statewide system that works for all of New York's families.

The only solution to New York's child care crisis is a clear path to universal child care for every family in New York State, with a well-compensated child care workforce. So much progress has already been made and we need to continue to build on that momentum. We can offer child care for all and keep our state thriving. Thank you for the opportunity to provide our comments to you. Early Care & Learning Council and our CCR&R network look forward to continuing to effectively serve the families and communities of New York State.

ⁱ <https://www.usinflationcalculator.com/>